

MEDTRONIC PLC

Q3 FY16

CONSOLIDATED RESULTS AND GROUP REVENUE HIGHLIGHTS

FORWARD LOOKING STATEMENTS

This presentation contains forward-looking statements which provide current expectations or forecasts, including those relating to market and sales growth, growth strategies, financial results, use of free cash flow, product development and introduction, partnerships, regulatory matters, restructuring initiatives, mergers/acquisitions/divestitures and related effects, accounting estimates, financing activities, working capital adequacy, competitive strengths and sales efforts. They are based on current assumptions and expectations that involve uncertainties or risks. These uncertainties and risks include, but are not limited to, those described in our periodic reports on file with the U.S. Securities and Exchange Commission (SEC). Actual results may differ materially from anticipated results. Forward-looking statements are made as of today's date, and we undertake no duty to update them or any of the information contained in this presentation.

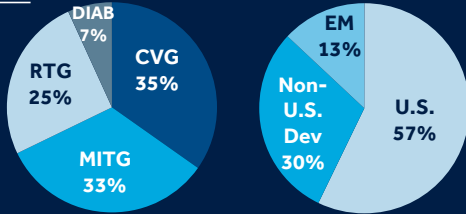
Financial Data

Certain information in this presentation includes calculations or figures that have been prepared internally and have not been reviewed or audited by our independent registered public accounting firm. Use of different methods for preparing, calculating or presenting information may lead to differences and such differences may be material. This presentation also contains non-GAAP financial measures such as free cash flow and historical revenue on a comparable constant currency basis, which sums historical data of Medtronic and Covidien, aligns Covidien's prior year monthly revenue to Medtronic's fiscal quarters and adjusts for the impact of foreign currency translation. We believe these measures provide a useful way to evaluate our underlying performance. Detail concerning how all non-GAAP measures are calculated, including all non-GAAP to GAAP reconciliations, are provided on our website and can be accessed using this [link](#).

MDT

Q3 FY16 HIGHLIGHTS

Revenue:



	Revenue \$M	As Rep Y/Y %	CC ¹ Y/Y %
CVG	2,410	8	7
MITG	2,291	NC	5
RTG	1,759	7	4
Diabetes	474	6	11
Total	\$6,934	61%	6%

U.S.	3,965	61	4
Non-U.S. Dev	2,066	58	5
EM	903	64	14
Total	\$6,934	61%	6%

Other Financial Highlights:

	EPS ²	Y/Y	Y/Y CC ¹
GAAP	\$0.77	-21%	NC
Non-GAAP	\$1.06	-1%	17%

Cash Flow from Ops	\$1.8B	Adj. Free Cash Flow	\$1.8B
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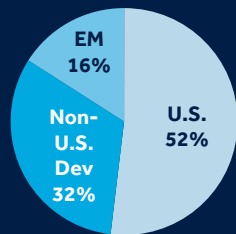
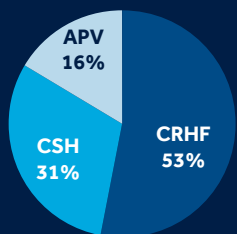
SOLID PERFORMANCE IN Q3

- Sustained execution results in another quarter of market outperformance
 - Revenue growth of 6% in the upper half of our mid-single digit expectation
 - Acquisitions & divestitures contributed a net 20 bps to Q3 revenue growth
 - Foreign currency translation had a negative \$344M impact on revenue
- Executing on three revenue growth vectors; driving increased diversity of our revenue growth
 - Therapy Innovation: 350 bps – at the high end of 150 to 350 bps goal
 - Emerging Markets: 190 bps – at the high end of 150 to 200 bps goal
 - Services & Solutions: 20 bps – below 40 to 60 bps goal
- Delivering robust operating leverage
 - Executing on our value capture programs from the Covidien integration and targeted cost synergies
 - 140 bps improvement in operating margin¹; 510 bps of operating leverage¹
 - 140 bps improvement in SG&A as a percent of revenue¹
- EPS leverage of 1,150 bps¹
 - Significantly exceeding our baseline goal of 200-400 bps
- Generating significant accessible free cash flow
 - Deploying with discipline, investing for our future while at the same time allocating capital for debt paydown and providing strong returns to our shareholders

¹ Figures represent comparison to Q3 FY15 on a comparable constant currency basis

² Diluted EPS

Strong, Balanced Growth Across all Three Divisions



	Revenue \$M	As Rep Y/Y %	CC ¹ Y/Y %
CRHF	1,278	1	6
CSH	736	0	7
APV	396	82	10
Total	\$2,410	8%	7%

U.S.	1,250	19	7
Non-U.S. Dev	775	-5	2
EM	385	6	14
Total	\$2,410	8%	7%

Growth Outlook: MSD

KEY PERFORMANCE DRIVERS¹

Cardiac Rhythm & Heart Failure (CRHF)

WW implantables market: LSD decline; MDT taking share Y/Y and Q/Q

Low Power – HSD

- US Pacing – MSD; Market – LSD decline
- Gained > 300 bps share
- Advisa SR MRI™ single chamber
- Reveal LINQ™ pull-through
- Diagnostics – High-Teens: Reveal LINQ™

Services & Sol. – Low 30's

High Power – LSD Decline

- Highest US share since Q4FY10
- ICDs: HSD growth – US Evera MRI™,
- CRT-D: HSD decline on lower bulk purchases ahead of MRI launch
- Amplia & Compia MRI™ CRT-D: FDA & CE Mark received

AF Solutions – Mid 30's

- Arctic Front Advance™



Evera MRI SureScan ICD



Coronary & Structural Heart (CSH)

Heart Valve Therapies – DD

- TCV – low 30's WW; mid 20's US
- Strong Evolut® R launch execution in the US
 - Losing some share in large valves, expect to start 34mm clinical in H2 CY16
- WW TAVR market growing low 30's
 - Europe: #1 in 13 countries, gaining share
 - Japan: CoreValve® reimb. & launch in Jan
- US Low Risk trial: received IDE approval
- WW TAVR market: ~\$4B by 2020

Coronary – LSD

- DES – LSD; maintaining share
- OUS – MSD: Resolute Onyx™ share gains on new sizes
- US – LSD decline, maintained share with multiline contracts
- Balloons – LDD: Euphora™ PTCA

Extracorp. Therapies – LSD

- Strong next gen Bio-Medicus® cannula launch

CoreValve Evolut® R



Resolute Onyx™



Aortic & Peripheral Vascular (APV)

Aortic – MSD

- US: HSD growth; strong adoption in new Type B dissection in Thoracic
- OUS: competitive pressure & Japan reimbursement cuts
- Heli-FX™ EndoAnchor: continuing to gain momentum; competitive account conversion & device pull-through

Peripheral – DD

- DCB: US & WW market share leader
- IN.PACT® Admiral launch
- Exceptional clin. & economic data

endoVenous – Mid Teens

- VenaSeal™ launch gaining traction

Heli-FX™ EndoAnchor

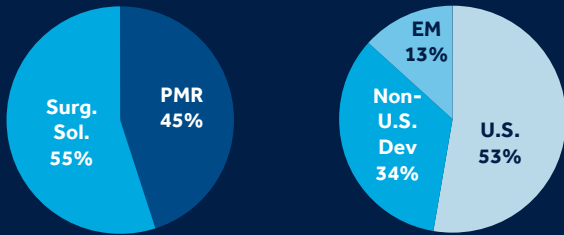


IN.PACT Admiral®



¹ Figures represent comparison to Q3 FY15 on a comparable constant currency basis

Strong, At or Above Market Growth Performance



	Revenue \$M	As Rep Y/Y %	CC ¹ Y/Y %
Surg. Sol.	1,264	NC	7
PMR	1,027	NC	1
Total	\$2,291	NC	5%
U.S.	1,207	NC	1
Non-U.S. Dev	780	NC	5
EM	304	NC	19
Total	\$2,291	NC	5%

Growth Outlook: MSD

KEY PERFORMANCE DRIVERS¹

Surgical Solutions

- **Advanced Surgical – HSD**
 - Continues to benefit from new products and the continued shift from open to minimally invasive surgery (MIS)
 - Focused on sustainable, long-term surgical market leadership, by improving open surgeries, transitioning open surgeries to MIS, and advancing MIS technologies
 - Estimate US surgical volume growth has normalized at 1-2%
- **Early Technologies – LDD**
 - Diversifying our business with investments in Early Technologies
 - Strong results from growth in Gastrointestinal Diagnostics
- **General Surgical – MSD**
 - Benefitted from RF Surgical acquisition, which closed in Q2

Endo GIA™



LigaSure™



ValleyLab™



Patient Monitoring & Recovery (PMR)

- **Respiratory & Patient Monitoring – MSD**
 - Growth driven by strong performance in capnography
 - PB980 product hold/field action resulted in \$10-\$15M in lost revenue in Q3; expect ~\$20-25M impact /qtr going forward until resolved; expect to resume sales in H1 FY17
- **Patient Care & Safety – Flat**
 - Strength in electrode sales, particularly in US
- **Nursing Care – Flat**
 - Strength in enteral feeding
- **Renal Care Solutions**
 - Formed new business unit
 - Acquired Bellco in early Q4

Capno-stream™
20p Bedside Monitor

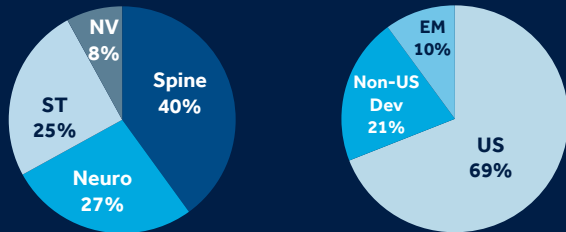


bellco



¹ Figures represent comparison to Q3 FY15 on a comparable constant currency basis

Strong NV & ST Growth Offsetting Declines in Neuromodulation and Spine



	Revenue \$M	As Rep Y/Y %	CC ¹ Y/Y %
Spine	704	-5	-2
Neuromod	465	-5	-1
ST	443	6	10
NV	147	NC	43
Total	\$1,759	7%	4%

U.S.	1,215	7	3
Non-U.S. Dev	367	1	4
EM	177	20	7
Total	\$1,759	7%	4%

Growth Outlook: Low End of MSD Range



¹ Figures represent comparison to Q3 FY15 on a comparable constant currency basis

KEY PERFORMANCE DRIVERS¹

Spine

Core Spine – LSD Decline

- OUS: MSD growth; gaining share
- US: MSD declines; Market LSD growth
- Focused on “Speed to Scale” with new product launches and offering a differentiated Surgical Synergy™ experience

BMP – MSD

- US: Strong, LDD Infuse® growth
- OUS: Dealing with InductOs™ ship hold in Europe; not expected to return until mid-FY17

Interventional – MSD Decline

Infuse®
Bone Graft



Neuromodulation

Pain Stim – MSD Decline

- Continued competitive pressure
- Good reception of AdaptiveStim® HD
- MRI Surgical Lead: received FDA approval

Gastro / Uro – HSD

- Targeting increased therapy adoption post Q2 US launch of Verify™

DBS – LSD

- Activa® full body MRI approval
- FDA approval for Parkinson’s patients with early onset motor complications

Drug Pump – LDD Decline

- Continued challenges based on the FDA consent decree
- Divested drug bus.; \$7M impact / qtr

InterStim II®



Surgical Technologies (ST)

Advanced Energy – Mid-Teens

- Solid growth driven by PEAK® Surgery Systems & Aquamantys® System

Neurosurgery – HSD

- US launch of O-arm® O2 and core navigation instruments driving strong growth

ENT – HSD

- Continued strong hospital capital spending trends for ENT devices
- NuVent® sinus balloon and powered ENT blade remain primary growth drivers

O-arm® O2



Neurovascular (NV)

- Strong performance across all product lines and geographies

- Flow Diversion: Benefitting from Pipeline™ Flex in the US, Pipeline™ with Shield in Europe and Japan reimbursement approval

- Stents: Solitaire™ FR growth driven by ongoing strength of clinical data, recently published AHA guidelines, and field sales investments

- Access: Pull-through from Solitaire™ FR and Pipeline™ Flex

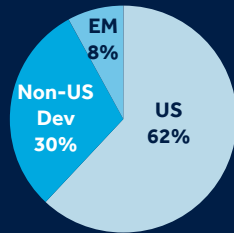
Solitaire™ FR



DIABETES

Q3 FY16 HIGHLIGHTS

Strong, Broad-Based Performance Across All Three Divisions



	Revenue \$M	As Rep Y/Y %	CC ¹ Y/Y %
IIM	ND	ND	LDD
NDT	ND	ND	>250
DSS	ND	ND	HSD
Total	\$474	6%	11%

U.S.	293	5	5
Non-U.S. Dev	144	9	24
EM	37	-3	13
Total	\$474	6%	11%

Growth Outlook: HSD to LDD

KEY PERFORMANCE DRIVERS¹

Intensive Insulin Management (IIM)

- Robust OUS results, including pump growth of 65% in Europe on strong sales of the MiniMed® 640G System with the Enhanced Enlite™ sensor
- Last patient expected to complete the 670G trial in the next few weeks, with PMA submission to the FDA targeted before the end of June 2016
 - >75% of patients enrolled in 670G US clinical trial also opted-in to the FDA's continued access program
- Recent UK NICE guidance recommended MiniMed® Paradigm Veo™ system as the only system to manage those at risk for severe hypoglycemia with type 1 Diabetes
- Chengdu manufacturing facility announced in January will expand EM footprint



MiniMed® 640G



Non-Intensive Diabetes Therapies (NDT)

- 2nd consecutive quarter that NDT has doubled revenue growth reflecting strong sales of iPro®2 CGM technology in the US, Latin America, Europe and Russia
- Distribution agreement with Henry Schein has launched in the US; broadening access for people with type 2 diabetes under the care of primary care physicians
- Strong feedback on the value of Pattern Snapshot for iPro®2 CGM analytics to facilitate interpretation of glucose data

iPro®2 CGM w/ Pattern Snapshot



Diabetes Service & Solutions (DSS)

- Strong growth in Consumables, Diabeter service revenue, and MiniMed® Connect
- MiniMed® Connect uptake and user feedback remains extremely positive
 - Android version of the glucose monitoring app expected to launch before June 2016
- Partnerships on track to transform diabetes care through innovative solutions
 - IBM Watson applying cognitive computing to support diabetes management by identifying situations expected to lead to hypoglycemia up to 3 hours in advance of the occurrence
- On track to bring our stand-alone sensor product, Guardian® Connect, to EU in early FY17 and to submit the PMA application to the FDA in the next week

MiniMed® Connect



¹ Figures represent comparison to Q3 FY15 on a comparable constant currency basis

APPENDIX

ACRONYMS / ABBREVIATIONS

Growth	
DD	Double Digits
HSD	High-Single Digit
LDD	Low-Double Digits
LSD	Low-Single Digit
MSD	Mid-Single Digit
Other	
Bps	Basis Points
CC	Constant Currency
CY	Calendar Year
Dev	Developed
EM	Emerging Markets
EPS	Earnings per Share
FCF	Free Cash Flow
FY	Fiscal Year
H1 / H2	First Half / Second Half
NC	Not Comparable
ND	Not Disclosed
Ops	Operations
OUS	Outside the United States
Q/Q	Quarter-over-Quarter
Rep	Reported
WW	Worldwide
Y/Y	Year-over-Year

Business Specific			
ACC	American College of Cardiology	HD	High Density
AF	Atrial Fibrillation	ICD	Implantable Cardioverter Defibrillator
AHA	American Heart Association	IIM	Intensive Insulin Management
APV	Aortic & Peripheral Vascular	MDT	Medtronic
BMP	Bone Morphogenetic Protein	MITG	Minimally Invasive Therapies Group
CGM	Continuous Glucose Monitoring	NDT	Non-Intensive Diabetes Therapies
CRHF	Cardiac Rhythm & Heart Failure	Neuromod	Neuromodulation
CRT-D	Cardiac Resynchronization Therapy – Defibrillator	NV	Neurovascular
CSH	Coronary & Structural Heart	PB980	Puritan Bennett™ 980
CVG	Cardiac & Vascular Group	PMR	Patient Monitoring & Recovery
DBS	Deep Brain Stimulation	RTG	Restorative Therapies Group
DCB	Drug Coated Balloon	SC	Single Chamber
DES	Drug Eluting Stent	Sol	Solutions
DIAB	Diabetes Group	ST	Surgical Technologies
DSS	Diabetes Services & Solutions	TAVR	Transcatheter Aortic Valve Replacement
ENT	Ear, Nose, & Throat	TCV	Transcatheter Valves
Extracorp	Extracorporeal		